

News from Rep. Stephanie Herseth
For Immediate Release
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HERSETH: RURAL AMERICA SUFFERS IN PRESIDENT'S BUDGET OUTLINE

Budget Shortchanges Investment in Agriculture, Economic Development, Essential Infrastructure and Rural Health Care

February 7, 2005, Washington, D.C. - U.S. Representative Stephanie Herseth commented today on the release of the President's budget: "Unfortunately, priorities for South Dakota and rural America are not represented in this budget. Rural America takes a multi-front hit, including cuts to farm programs, economic development, essential infrastructure and rural health care. These dramatic cuts will have a substantial impact on families and communities throughout South Dakota. At a time when spending is tight, this budget places rural America at the bottom of the list."

Herseth acknowledged the administration made difficult decisions to constrain spending – including cuts to certain defense programs – and increased funding in a couple of notable areas for South Dakota, namely, EROS and community health centers. But, Herseth continued, "I am concerned about the overall impact of this budget on the federal deficit. The proposed budget increases our debt, yet does not account for supplemental funding for the war in Iraq or specific costs for the private accounts the President has proposed within Social Security. Both of these initiatives would add significant spending and without their inclusion, we are not getting an accurate picture of our budget. If we're going to make tough budget choices, we need to be fair and comprehensive about our nation's accounting."

Herseth noted her disappointment that the President's budget focuses cuts on programs that support farmers and ranchers, including a 5 percent across the board cut to crop and dairy payments. Herseth said, "As a member of the House Agriculture Committee, I will work with farm state members from both parties to protect the investment in farm programs as a way to ensure a safe and abundant food supply for our country. We all recognize the need for sacrifice, but the administration is asking family farmers and ranchers to shoulder far more than their share of the burden."

The proposed budget also included reduced funding levels for South Dakota water projects. Herseth said, "It is unfortunate that this budget zeroes out funding for Mid Dakota and Perkins water projects before their completion, while funding Lewis and Clark and Mni Wiconi at reduced levels. These projects are crucial to economic development across South Dakota, and I'll work with the other members of our delegation to restore this critical funding as the budget process goes forward."

The president's budget also cuts key rural health programs, including Medicaid and the Hospital Flexibility (Flex) Grant Program. Herseth said, "Rural America faces unique health care challenges, and we shouldn't be gutting programs that make health care available and affordable in rural areas." Herseth also noted proposed cuts of \$60 billion dollars to the Medicaid program, which is a key provider of long term care for seniors in South Dakota.

In addition, proposed cuts to the Community Development Block Grant (CDBG) program, and other important economic development programs, will have a significant negative effect on economic development in South Dakota. The program has been particularly popular in South Dakota because of the flexibility enjoyed by CDBG recipients. "Rural American faces real challenges in creating jobs, and now is not the time to be cutting economic development programs that have proved successful in rural areas."

Finally, Herseth noted the impact of the budget on South Dakota veterans. "I am deeply concerned that the President's budget will leave the VA without adequate resources to deal with the new veterans returning from Iraq and Afghanistan. All of America's veterans served their country, and the proposals to make health care more expensive for veterans is extremely disappointing. I'll keep working on the Veterans Affairs committee for full funding of the health care for veterans." Herseth specifically noted her opposition to the President's proposal to assess an annual enrollment fee and a 100% increase on co-payments for veterans' prescription drugs

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